



**Office of Campaign Finance
REPORTS ANALYSIS & AUDIT DIVISION
WASHINGTON, DC**

**CHARLENE DREW JARVIS – CONSTITUENT SERVICE
PROGRAM
CLOSE-OUT REVIEW**

**REPORT NO. RAAD-02-0003-CDJ
JUNE 2003**

DATE: June 25, 2003

REPLY TO

ATTN OF: RAAD-02-0003-CDJ

SUBJECT: Charlene Drew Jarvis
Constituent Service Program
Audit Close-Out Review

TO: Ms. Charlene Drew Jarvis
1789 Sycamore Street NW
Washington, D.C. 20012

This report presents the results of our close-out audit of the Charlene Drew Jarvis Constituent Service Program (CSP). Our objective was to determine whether the CSP was terminated in accordance with D.C. Official Code §1-1104.03 (d) (2001 Edition) and 3 DCMR § 3015 (June 1998, as amended). Our audit disclosed that the former Councilmember's CSP was not terminated in accordance with the District's campaign finance laws and regulations.

BACKGROUND:

The Charlene Drew Jarvis Constituent Service Program (CSP) filed its last Reports of Receipts and Expenditures (R&E) on June 6, 2001, with the Director of the Office of Campaign Finance (OCF). At the time the report was filed, the CSP had an account balance outstanding which totaled \$6,065.00. The report was required after Ms. Jarvis lost her bid for re-election to the D.C. Council in the September 2000 Primary Election. OCF records disclosed that as of January 1, 2000, the CSP had receipts totaling \$16,432.58. We found that during the period of January 1, 2000 through June 6, 2001, the CSP had receipts totaling \$24,315.53 and expenditures totaling \$18,250.53.

The D.C. Campaign Finance Reform and Conflict of Interest Act of 1974, as amended, D.C. Official Code, Sections 1-1101.01 et seq., (2001 Edition), 88 Stat. 447, Public Law 93-376 (hereinafter the "Campaign Finance Act") was enacted by Congress on August 14, 1974, to provide a means of monitoring and enforcing campaign finance laws, and the financial disclosure of candidates and political committees in the District of Columbia. The primary goal of this legislation is to require that local candidates seeking election and treasurers of political committees make complete and full disclosures. Various provisions of the Campaign Finance Act are clarified by regulations promulgated

by the Office of Campaign Finance (OCF) with the approval of the Board of Elections and Ethics. OCF regulations are cited under Chapters 30 through 37 of Title III, “Elections and Ethics”, of the D.C. Municipal Regulations.

OBJECTIVES:

The overall objectives of our review were to determine whether: (1) receipts and expenditures were received and expended in accordance with the Code and regulations; (2) whether the CSP met the intent of the law; and (3) where applicable, whether surplus CSP funds were disbursed in accordance with the Code and regulations; (4) whether the CSP was closed-out in accordance with campaign finance regulations. We will analyze 100% of all transactions incurred during the review period to test their validity and compliance.

SCOPE:

The audit was conducted in accordance with generally accepted government auditing standards and covered the program operations for the period of January 2000 through the report dated June 7, 2001. The audit fieldwork began in April 2002 and ended in October 2002. The auditor obtained all records, reports and statements from the committee as well as all information filed by the committee at the Office of Campaign Finance (OCF). The CSP bank statements were subpoenaed from the applicable lending institutions after the CSP treasurer reported that the statements were destroyed in a flood at the treasurer’s residence. The audit fieldwork was performed at the Auditor’s Office.

METHODOLOGY OF AUDIT:

To accomplish the audit objectives we:

- Obtained and reviewed all records filed by the Program with OCF;
- Interviewed the program treasurer;
- Obtained and reviewed all records and statements maintained by the CSP;
- Cross-checked payment invoices to bank statements and individual checks;
- Subpoenaed the Program’s bank statements from the applicable lending institutions.

AUDIT RESULTS:

Our review disclosed that the CSP’s bank account had \$6,065.00 in total funds available more than eighteen (18) months after the Councilmember left office in January 2001.

The failure to terminate the program within 120 days after the Councilmember left office violated the District's campaign finance laws and regulations.

3 DCMR §3015 (1)(a)(b) provides that surplus funds of the constituent service program shall be disbursed within 120 days of the date the elected official performs the following: (a) vacates the office; (b) notifies the Director, in writing, of any determination that the constituent service program shall no longer receive contributions or make expenditures.

3 DCMR §3015.2 provides that surplus funds shall be disbursed only for the following: (a) used to pay the debts of the program, or (b) shall be donated to an organization operating in the District of Columbia as a not-for-profit organization within the meaning of § 501(c) of the Internal Revenue Code of 1954, as amended.

Recommendation No. 1:

Dispose of surplus CSP funds in accordance with D.C. Official Code §1-1104.03 (d) (2001 Edition) and 3 DCMR § 3015 (June 1998, as amended)

Committee Response:

Funds in the Charlene Drew Jarvis Constituent Service Program Fund Account and all excess funds were disposed of and the account closed with the bank in accordance with the guidelines as prescribed by law.

Audit Position:

We accept the Committee's corrective action.

CONCLUSIONS AND REQUIRED FORMER COUNCILMEMBER'S ACTIONS:

Your June 24, 2003, response to the draft report has been included as Exhibit A of this report. In accordance with the Audit Division's policies and procedures, final action on this report is achieved upon issuance and there is no further action required by the Committee.

Richard Mathis
Supervisory Auditor

**EXHIBIT A – FORMER COUNCILMEMBER'S RESPONSE TO DRAFT
REPORT**

***THE CHARLENE DREW JARVIS
COMMUNITY SERVICE FUND***

441 4th Street, N.W. Suite 708
Washington, DC 20001

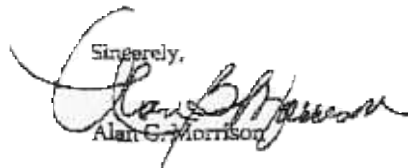
(202) 724-8052 / Fax (202) 724-8120

June 24, 2003

The Office of Campaign Finance
C/O: Mr. Richard Mathis
2000 14th Street, NW Suite 400
Washington, DC 20001

Dear Mr. Mathis:

As a result of the audit review of the Charlene Drew Jarvis Community Service Program Fund performed by your office, the findings and recommendation regarding timeliness of the closure of accounts were justified. However, as of June 23 2003 the following actions were completed: The Charlene Drew Jarvis Constituent Service Program Fund account and all excess funds were disposed and the account closed with Industrial Bank in accordance with the guidelines as prescribed by law.

Sincerely,

Alan G. Morrison

Paid for by the Charlene Drew Jarvis Community Service Fund, Alan G. Morrison, Treasurer
A copy of our report is on file with the Office of Campaign Finance.

DATE: June 25, 2003

REPLY TO

ATTN OF: RAAD-02-0002-TCW

SUBJECT: Charlene Drew Jarvis
Constituent Service Program
Audit Close-Out Review

TO: Ms. Charlene Drew Jarvis
1789 Sycamore Street NW
Washington, D.C. 20012

Attached are two copies of the Final Report for the subject audit. Final action on this report is achieved upon issuance and there is no further action required by the Committee.

If you have any questions, please call me at 202-671-0542.

Richard Mathis
Supervisory Auditor

Attachment